

# TEXAS ETHICS COMMISSION

IN THE MATTER OF

CRAIG TIPPING,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-32208308

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (Commission) met on September 28, 2022, to consider sworn complaint SC-32208308. A quorum of the Commission was present. The Commission determined that there is credible evidence of a violation of Sections 253.003, 253.005, and 253.094 of the Election Code, laws administered and enforced by the Commission. To resolve and settle this complaint without further proceedings, the Commission adopted this resolution.

### II. Allegations

The complaint alleged that the respondent: 1) accepted a political contribution from C. W. Ray Contracting, Inc., a domestic for-profit corporation, on May 16, 2022, in violation of Sections 253.003 and 253.094 of the Election Code; and 2) violated Section 253.005 of the Election Code by making or authorizing a political expenditure wholly or partly from the contribution that was unlawfully made in violation of Chapter 253 of the Election Code by C. W. Ray Contracting, Inc.

### III. Findings of Fact and Conclusions of Law

Credible evidence available to the Commission supports the following findings of fact and conclusions of law:

1. The respondent was a successful candidate for Mansfield Independent School District (MISD), Board Trustee, Place 3, in the June 18, 2022 runoff election.
2. The complaint alleges that the respondent accepted a prohibited corporate political contribution. The contribution was disclosed in the respondent's runoff report as a \$250 monetary contribution from "C.W. Ray Contracting, Inc." that was accepted on May 16, 2022.
3. In response to the complaint, the respondent acknowledged the violations but stated that the violations were not intentional. The respondent stated that he believed the source of the contribution was Cary Ray, an individual who is the owner of C.W. Ray Contracting, Inc., because Cary Ray had previously made a political contribution. The respondent's 30-day

- pre-election report for the May 7, 2022 election confirms that the respondent accepted a \$150 monetary contribution from “Cary Ray” on March 26, 2022. In addition, the respondent stated that he did not review the check because it was grouped together with a large number of other contribution checks collected from a fundraising event that were deposited as a batch.
4. The respondent filed a Campaign Treasurer Appointment on January 19, 2022. The respondent signed the form under the pre-printed statement: “I am aware of the restriction in title 15 of the Election Code on contributions from corporations and labor organizations.” The respondent’s July 2022 semiannual report, which was also marked as a “final” report, filed on July 15, 2022, disclosed \$4,572.47 in total political expenditures and \$20.54 in total political contributions maintained.
  5. A person may not knowingly accept a political contribution the person knows to have been made in violation of Chapter 253 of the Election Code. Tex. Elec. Code § 253.003(b). Under Section 253.094 of the Election Code, a corporation may not make a political contribution that is not authorized by Chapter 253, Subchapter D, of the Election Code. *Id.* § 253.094(a).
  6. Chapter 253, Subchapter D, of the Election Code applies only to corporations that are organized under the Texas Business Corporation Act, the Texas For-Profit Corporation Law, the Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation Law, federal law, or law of another state or nation. *Id.* § 253.091.
  7. A person may not knowingly make or authorize a political expenditure wholly or partly from a political contribution the person knows to have been made in violation of Chapter 253 of the Election Code. *Id.* § 253.005(a).
  8. A “political contribution” is a campaign contribution or an officeholder contribution. *Id.* § 251.001(5). “Campaign contribution” means a contribution to a candidate or political committee that is offered or given with the intent that it be used in connection with a campaign for elective office or on a measure. *Id.* § 251.001(3).
  9. In order to find the respondent violated Sections 253.003(b) and 253.094 of the Election Code, there must be credible evidence to show the respondent: a) knowingly accepted a political contribution from an entity that the respondent knew was a corporation; and b) knew that the law prohibited corporations from making political contributions.
  10. Records on file with the Texas Secretary of State show that C.W. Ray Contracting, Inc. is a domestic for-profit corporation.
  11. The respondent signed a campaign treasurer appointment form in which he acknowledged he was aware of the restrictions on political contributions from corporations. The respondent disclosed the contribution on his runoff report and indicated that the contribution was from

“C.W. Ray Contracting, Inc.” The runoff report was signed by the respondent with an affidavit that stated, “I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information to be reported by under Title 15, Election Code.” Therefore, there is credible evidence that the respondent knowingly accepted a \$250 political contribution from a corporation in violation of Sections 253.003(b) and 253.094 of the Election Code.

12. The respondent’s final report discloses that the respondent had approximately \$20 in total political contributions maintained as of July 15, 2022. Therefore, there is credible evidence that the respondent made political expenditures wholly or partly from the \$250 political contribution that was made and accepted in violation of Chapter 253 of the Election Code. Therefore, there is credible evidence of a violation of Section 253.005 of the Election Code.

#### **IV. Representations and Agreement by Respondent**

By signing this order and agreed resolution and returning it to the Commission:

1. The respondent neither admits nor denies the findings of fact and conclusions of law described under Section III, and consents to the entry of this order and agreed resolution solely for the purpose of resolving this sworn complaint.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that a candidate or officeholder may not knowingly accept a political contribution from a corporation, and a person may not knowingly make or authorize a political expenditure wholly or partly from a political contribution unlawfully made by a corporation. The respondent agrees to comply with these requirements of the law.

#### **V. Confidentiality**

This order and agreed resolution describes violations that the Commission has determined are neither technical nor *de minimis*. Accordingly, this order and agreed resolution is not confidential under Section 571.140 of the Government Code and may be disclosed by members and staff of the Commission.

#### **VI. Sanction**

After considering the nature, circumstances, and consequences of the violations described under Section III, and after considering the sanction necessary to deter future violations, the Commission imposes a \$500 civil penalty.

**VII. Order**

The Commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-32208308.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Craig Tipping, Respondent

EXECUTED by the Commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
J.R. Johnson, Executive Director